UNITED STATES BANKRUPTCY COURT MIDDLE DISTRICT OF FLORIDA JACKSONVILLE DIVISION www.flmb.uscourts.gov

In re:

CASE NO.: 3:18-bk-01164-JAF
CHAPTER 11

EIHAB H. TAWFIK, M.D., P.A.,

Emergency Hearing Requested on or before
Friday, April 13, 2018

DEBTOR'S EMERGENCY MOTION FOR AUTHORITY TO PAY OFFICER AFFILIATE SALARIES AND REQUEST FOR EMERGENCY PRELIMINARY HEARING

EIHAB H. TAWFIK, M.D., P.A., a Florida corporation (the "Debtor"), by and through its undersigned counsel, moves pursuant to 11 U.S.C. §§ 105(a), 363(b), 507(a) and Local Rule 2081(f)(6) for authority to pay officer affiliate salaries (the "Motion"), and requests an emergency preliminary hearing on or before April 13, 2018 to consider the relief requested herein. In support of the Motion, Debtor states as follows:

Jurisdiction, Venue and Procedural History

- 1. On April 11, 2018 (the "Petition Date"), the Debtor filed its petition for relief under Chapter 11 of Title 11 of the United States Code ("Code"). No trustee has been appointed and the Debtor continues to operate its business and manage its property as a debtor-in-possession under §§ 1107 and 1108 of the Code.
- 2. Debtor owns and operates medical clinics in five locations in the Central Florida area. Those locations are located in Crystal River (2 locations), Celebration, Ocala, and Spring Hill. The clinics provide patients with services including, but not limited to, internal medicine,

urgent care, cardiology, diabetes treatment, podiatry, full imaging services and pain management.

3. Additional background information relating to the Debtor, including its current and historical business operations and the events precipitating its chapter 11 filing, is set forth in detail in Debtor's Case Management Summary, filed concurrently with this Motion and incorporated herein by reference.

Description of Debtor's Business and Officer's Duties and Salary

- 4. As of the Petition Date, the Debtor employs (31) salaried employees, which includes Eihab H. Tawfik (Director/President and 100.00% shareholder) (the "Officer Affiliate"). The Officer Affiliate has been, and remains, responsible for all strategic decisions of the Debtor, including its financial, operational and management needs.
- 5. Due to the important role he occupies with the Debtor, the Officer Affiliate is vital to Debtor's successful reorganization.

Officer Compensation

6. In the immediate twelve months (12) months prior to the Petition Date, the Officer Affiliate received a salary from the Debtor in the amount listed below:

<u>Officer</u>	<u>Title</u>	Approximate 12 Month Compensation
Eihab H. Tawfik	Director/President	\$105,000.00 (Gross Amount Prior to federal withholding and payroll taxes)

Relief Requested

- 7. Debtor seeks authority to continue to pay the Officer Affiliate his current 2018 salary as compensation for his services to the Debtor. The salary earned by the Officer Affiliate is scheduled to be paid in the ordinary course of business on April 13, 2018 and will be paid biweekly thereafter.
- 8. The compensation paid to the Officer Affiliate is his only source of active income, which is necessary to support his family and to maintain health insurance coverage. It is believed that the compensation structure for the Officer Affiliate is in line with the marketplace based on the respective functions performed and based on medical practices with \$7,000,000 in gross annual revenue.
- 9. Without the Officer Affiliate's work on behalf of the Debtor, there would be no business to reorganize. His continued service, and the Debtor's ability to compensate the Officer Affiliate, is therefore necessary to an effective reorganization. Furthermore, compensation to the Officer Affiliate will only be paid after all other operating expenses have been paid, and if insufficient funds are available to make such payments, no payments will be made and unpaid amounts will not accrue.
- 10. It is respectfully submitted that the compensation of the Officer Affiliate as set forth in this motion is reasonable in light of the compensation received prior to the bankruptcy filing, the services rendered as compared to similar services in the marketplace, and the nature of the duties being performed by the Officer Affiliate.

WHEREFORE, the Debtor respectfully requests this Court enter an order authorizing it to pay the Officer Affiliate his salary for post-petition services rendered, and for such other and further relief as the Court deems appropriate.

RESPECTFULLY SUBMITTED this 12th day of April, 2018.

/s/ Justin M. Luna, Esq.
Justin M. Luna, Esq.
Florida Bar No. 0037131
jluna@lseblaw.com
Daniel A. Velasquez, Esq.
Florida Bar No. 0098158
dvelasquez@lseblaw.com
Latham, Shuker, Eden & Beaudine, LLP
111 N. Magnolia Ave., Suite 1400
Orlando, Florida 32801

Telephone: 407-481-5800 Facsimile: 407-481-5801 Attorneys for Debtor

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Debtor.	

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the Debtor's DEBTOR'S EMERGENCY MOTION FOR AUTHORITY TO OFFICER AFFILIATE SALARIES has been furnished either electronically or by facsimile and by U.S. First Class, postage prepaid mail to: Eihab H. Tawfik, M.D., P.A., c/o Eihab H. Tawfik, 7394 West Gulf to Lake Highway, Crystal River, Florida 34429; Central Bank, c/o Megan W. Murray, Esq., 101 E. Kennedy Blvd., Suite 1700, Tampa, Florida 33602; all creditors as shown on the matrix attached hereto, and the U.S. Trustee, 400 W. Washington Street, Suite 1100, Orlando, Florida 32801, this 12th day of April 2018.

/s/ Justin M. Luna
Justin M. Luna, Esq.

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Label Matrix for local noticing Central Bank Eihab H. Tawfik, M.D., P.A. 113A-3 c/o Trenam Law 7394 West Gulf to Lake Highway Case 3:18-bk-01164-JAF Megan W. Murray Crystal River, FL 34429-7802 Middle District of Florida 101 E Kennedy Boulevard, #2700 Jacksonville Tampa, FL 33602-5150 Thu Apr 12 14:20:42 EDT 2018 IBERIABANK Alyouzbaki Tawfik Balboa Capital Corp. c/c Michael S. Waskiewicz, Esq. c/c Joseph C. Crawford, Esq. 575 Anton Blvd., 12th Floor Burr & Forman LLP 50 N Laura St, Ste 2600 Costa Mesa, CA 92626-7169 Jacksonville, FL 32202-3629 50 N. Laura Street, Suite 3000 Jacksonville, FL 32202-3658 Baytree Nat. Bank & Trust Co Burr & Foreman, LLP CAPALL, LLC 664 N Western Ave. Attn: Michael S. Waskiewicz 122 East 42nd St., Ste. 2112 Laek Forest, IL 60045-1951 50 North Laura St., Ste 3000 New York, NY 10168-2100 Jacksonville, FL 32202-3658 CCM Capital Collection Mgmt CHTD Company CT Corporation System 115 Solar Street, Suite 100 PO Box 2576 Attn: SPRS Syracuse, NY 13204-5407 Springfield, IL 62708-2576 330 N. Brand Blvd, Ste 700 Glendale, CA 91203-2336 Central Bank CT Lien Solutions Cassidy Abbott Orr 20701 Bruce B. Downs Blvd PO Box 29071 c/o Jay P. Lechner, Esq. Glendale, CA 91209-9071 One Progress Plaza Tampa, FL 33647-3676 200 Central Ave., #400 St. Petersburg, FL 33701-4356 Citrus County Tax Collector Citrus Diabetes Treatment Central Bank 210 N. Apopka Ave Ste 100 Center, LLC c/o Megan W. Murray, Esq. 101 E Kennedy Blvd, Ste 1700 Inverness FL 34450-4298 7394 W. Gulf to Lake Hwy Tampa, FL 33602-3647 Crystal River, FL 34429-7802 Citrus Diabetes Treatment Colonial Funding Network Complete Business Solutions Center, LLC 120 West 45th Street 22 North 3rd Street 7450 W. Gulf to Lake Hwy New York, NY 10036-4195 Philadelphia, PA 19106-2113 Crystal River, FL 34429 Corporation Service Co. Creekridge Capital, LLC Corporation Service Co. 801 Adlia Stevenson Dr PO Box 2576 7808 Creekridge Cir. Ste 250 Edina, MN 55439-2647 Springfield, IL 62703-4261 Springfield, IL 62708-2576 DLI Assets Bravo, LLC Danco Medical, Inc. Dr. Eihab H. Tawfik, MD 550 N. Brand Blvd. Ste. 2000 c/o Ashley H. Lukis, Esq. 7394 West Gulf to Lake Highway Glendale, CA 91203-1935 PO Box 11189 Crystal River, FL 34429-7802 Tallahassee, FL 32302-3189 First Coast Service Options ELM Services First Corporation Solutions PO Box 15270 Medicare Part B Overpayment 914 S. Street Irvine, CA 92623-5270 PO Box 45248 Sacremento, CA 95811-7025 Jacksonville, FL 32232-5248

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Florida Dept. of Revenue Bankruptcy Unit P.O. Box 6668 Tallahassee, FL 32314-6668

Fred E. Moore, Esq. 801 11th Street West Bradenton, FL 34205-8432 GE Healthcare c/o Richard P. Joblove, Esq. 12372 Southwest 82nd Ave. First Floor Miami, FL 33156-5223

Gurley Vitale, P.A.
Attn: J. Ben Vitale, Esq.
601 S. Osprey Ave.
Sarasota, FL 34236-7526

Huntington Tech. Finance 2285 Franklin Road Bloomfield Hills, MI 48302-0364 IberiaBank PO Box 53207 Lafayette, LA 70505-3207

Internal Revenue Service PO Box 7346 Philadelphia, PA 19101-7346 Key Equipment Finance Inc. 1000 South McCaslin Blvd. Superior, CO 80027-9441 LiftForward, Inc. c/o LF Collateral SPV I, LLC 180 Maiden Lane, 10th Floor New York, NY 10038-5178

Lysoft Media c/o Colonial Funding Network 120 West 45th Street New York, NY 10036-4195 Macquarie Equipment Finance 2285 Franklin Rd., Ste. 100 Bloomfield Hills, MI 48302-0363 McKesson Corporation 401 Mason Road La Vergne, TN 37086-3243

Medicare Part B Cash Mgmt c/o First Coast Srvc Options PO Box 44141 Jacksonville, FL 32231-4141 Merchant Cash & Capital LLC 450 Park Ave. S., 11th Floor New York, NY 10016-7320 National Radiology Sol Group 101 Alycia Drive Richmond, KY 40475-2368

Navitas Credit Corp. P.O. Box 935204 Atlanta, GA 31193-5204 Navitas Lease Corp. ISAOA 111 Executive Dr., Ste. 102 Columbia, SC 29210-8414 Nicole Richardson c/o Matthew W. Birk, Esq. 309 NE 1st Street Gainesville, FL 32601-5310

Pamela Rizzo-Alderson c/o Jay P. Lechner, Esq. One Progress Plaza 200 Central Ave., Ste. 400 St. Petersburg, FL 33701-4356 Quarterspot Inc. 4601 N Fairfax Dr, Ste 1120 Arlington, VA 22203-1547 Secretary of the Treasury 15th & Pennsylvania Ave., NW Washington, DC 20220-0001

Secured Lender Solutions LLC PO Box 2576 Springfield, IL 62708-2576 Stress Free Capital, LLC 2501 Hollywood Blvd, Ste 210 Hollywood, FL 33020-6632

U.S. Securities & Exchange Commission Office of Reorganization 950 East Paces Ferry Road, N.E. Suite 900 Atlanta, GA 30326-1382

US Dept of Treasury Bureau of the Fiscal Service PO Box 830794 Birmingham, AL 35283-0794 US Dept of Treasury PO Box 979101 St. Louis, MO 63197-9000 United States Attorney 300 North Hogan St Suite 700 Jacksonville, FL 32202-4204

Vangaurd Medical Mgmt LLC c/o Jay P. Lechner, Esq. One Progress Plaza 200 Central Ave., #400 St. Petersburg, FL 33701-4356 Yellowstone Capital, LLC 30 Broad Street 14th Floor, Ste. 1462 New York, NY 10004-2304 Yes Funding Services, LLC c/o Douglas Robinson, Esq. 122 East 42nd St., Ste. 2112 New York, NY 10168-2100

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United States Trustee - JAX 11 +
Office of the United States Trustee
George C Young Federal Building
400 West Washington Street, Suite 1100
Orlando, FL 32801-2210

Justin M. Luna +
Latham, Shuker, Eden & Beaudine, LLP
P.O. Box 3353
Orlando, FL 32802-3353

Elena L Escamilla +
Office of the United States Trustee
400 W. Washington Street
Suite 1100
Orlando, FL 32801-2440

Megan Wilson Murray + Trenam Kemker 101 East Kennedy Boulevard Suite 2700 Tampa, FL 33602-5170 Michael S Waskiewicz +
Burr & Forman, LLP
50 North Laura Street, Suite 3000
Jacksonville, FL 32202-3658

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(u) Jerry A. Funk Jacksonville (d) IBERIABANK c/o Michael S. Waskiewicz, Esq. Burr & Forman LLP 50 N. Laura Street, Suite 3000 Jacksonville, FL 32202-3658 (u) Note: Entries with a '+' at the end of the name have an email address on file in CMECF

Note: Entries with a '-' at the end of the name have filed a claim in this case

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